

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7402**

**BILL NUMBER:** SB 295

**NOTE PREPARED:** Feb 18, 2003

**BILL AMENDED:** Feb 18, 2003

**SUBJECT:** Funding to Commercialize Emerging Technology.

**FIRST AUTHOR:** Sen. Ford

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☐ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues			
State Expenditures		5,000,000	
Net Increase (Decrease)		(5,000,000)	

**Summary of Legislation:** The bill creates the Emerging Technology Grant Fund to be administered by the 21<sup>st</sup> Century Research and Technology Fund Board. This bill appropriates \$5,000,000 from the state General Fund.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (Revised) The bill creates the Emerging Technology Grant Fund and Grant Program to be administered by the 21<sup>st</sup> Century Research and Technology Fund Board. The bill appropriates \$5,000,000 to the Fund from the state General Fund. The Fund is established to provide grants to match federal grants for small sized technology based businesses in an effort to accelerate the commercialization of emerging technologies. An eligible business must: (1) be independently owned and operated; (2) must have its principal office in Indiana; and (3) have either 100 or fewer employees or average annual gross receipts of \$10 M or less. (A manufacturing business must meet (1) , (2), and the employment requirement in (3).) In addition to meeting these conditions, the business must be engaged in life sciences, information technology, advanced manufacturing, or logistics. Money in the Fund at the end of the fiscal year

does not revert to the General Fund.

The bill requires the 21<sup>st</sup> Century Research and Technology Fund Board to administer the Emerging Technology Grant Program. The bill specifies some criteria for awarding grants and requires the Board to establish guidelines for priority areas, matching levels, and maximum grant amounts. The bill limits the state-federal match for emerging technology grants to 100% and limits individual grant amounts to \$150,000. The bill also requires the Board to adopt guidelines and a process to determine on a case by case basis for award of grants to technology based businesses that do not meet the criteria in (1) to (3) above.

*Background:* The Indiana 21st Century Research and Technology Fund Board consists of the following:

- (1) The Lieutenant Governor, who shall serve as chairperson of the board.
- (2) Two (2) representatives from separate Indiana public research institutions of higher education to be appointed by the Governor.
- (3) A representative of an Indiana private research institution of higher education to be appointed by the Governor.
- (4) A representative from a high technology business to be appointed by the Governor.
- (5) A representative from a business with high research and development expenditures in Indiana to be appointed by the Governor.
- (6) A representative from the venture or growth capital industry to be appointed by the Governor.
- (7) One (1) individual who has expertise in economic development to be appointed by the Governor.
- (8) One (1) individual who has expertise in academic research, technology transfer, or collaborative relationships between the public and private sectors to be appointed by the Governor.
- (9) A representative from a high technology business to be appointed by the Speaker of the House of Representatives.
- (10) A representative from a high technology business to be appointed by the President pro Tempore of the Senate.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** 21<sup>st</sup> Century Research and Technology Fund Board.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869